AUSTRALIAN ENERGY REGULATOR

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30 July 2026

Anna Collyer
Chair
Australian Energy Market Commission
GPO Box 2603
SYDNEY NSW 2001

Dear Ms Collyer,

Re: Strengthening standards for payment difficulty assistance – Consultation paper

The Australian Energy Regulator (AER) welcomes the opportunity to provide a submission to the Australian Energy Market Commission's (AEMC) consultation paper on the National Energy Retail Amendment (Strengthening standards for payment difficulty assistance) Rule 2026.

The AER is the proponent for this rule change, which we lodged together with 4 other proposed rule changes, to progress recommendations from our Review of payment difficulty protections in the National Energy Customer Framework (NECF) (Payment difficulty review).

As noted in our rule change request, one of the key findings of the Payment difficulty review was that customers are not currently receiving consistent support and may have different experiences based on which retailer they are with, due to variations in retailer hardship policies and practices. Consumer stakeholders raised concerns that some retailers require customers to provide proof of circumstances before providing hardship assistance.

We also found that payment plans are often unaffordable for customers, which can exclude customers from assistance and increase their risk of experiencing poor outcomes such as disconnection. While retailers must generally consider a customer's capacity to pay when setting up a payment plan, their processes for doing so can be very different. Too many customers agree to payment plans they cannot afford because they feel pressured or uncertain of their options, or because there is a threat of disconnection.

This rule change would address these issues by:

- banning retailers from requiring proof of circumstances to access payment difficulty assistance, and
- strengthening protections to make payment plans more affordable.

We observe that payment difficulty and affordability concerns have not dissipated since we undertook our Payment difficulty review. Our most recent [Retail energy market performance update] shows that energy affordability and broader cost of living pressures are putting more Australian consumers under financial stress. For example:

- The number of customers with debt more than 90 days overdue has reached a five-year high.
- More electricity customers are entering retailer hardship programs with longer-standing debt.
- Disconnections and debt collection activity have continued to rise.
- Credit default listings have also increased, which can impact a customer's credit standing for up to 5 years after the debt is paid.
- Exits from hardship programs have increased over the past 2 years, but not because customers have completed them successfully. In January to March 2026, only 25% of customers completed their hardship program, while 68% were excluded for failing to meet their payment plan, or some other type of non-compliance with the program requirements, and 7% transferred to another retailer.

Our proposed rule changes will help address these issues, make customer experiences more consistent and meaningfully strengthen standards for payment difficulty assistance.

In addition to our rule change proposals, the AER is continuing to progress broader changes to the retail energy market that would improve customer outcomes and further help customers access payment difficulty support. We are currently updating 4 enforceable guidelines to make plan information and payment assistance easier to understand while requiring retailers to communicate in a way that is honest and fair to the extent possible under our powers to make these guidelines. The AER will also continue our advocacy for a broad, overarching consumer duty, enshrined in the National Energy Retail Law, that would require retailers to provide proactive and tailored support to their customers.

We look forward to continued engagement with the AEMC as this, and our other, rule changes progress. If you have any questions about this submission, please contact the AER's Consumers team at Consumers@aer.gov.au.

Yours sincerely,

SJolly

Stephanie Jolly
Executive General Manager, Consumers and Markets
Australian Energy Regulator

Lodged online on: 30.07.2026